

MARINE CORPS PURCHASING PROCEDURES MANUAL

APPENDIX B

SECTION 1: PURPOSE

INTRODUCTION

1. The purpose of this appendix is to provide a consolidated source of information for a contingency contracting officer (CCO) for use while providing support to deployed units during peacetime exercises and wartime contingencies.

2. Commanders still have the responsibility to provide adequate combat support and combat service support. Some of the required support can be provided from locally available resources in the area of responsibility. This source lightens the logistical tail and does not waste scarce airlift. In order for commanders to properly obtain this support through legal means, they must use properly warranted contracting personnel to accomplish this task. These personnel provide an operational concept for the coordination, management, and procurement of supplies and services (combat support and combat service support) provided through contracting/purchasing actions for deploying or deployed forces. Commanders have the greatest flexibility when they have the capabilities of a contracting team to provide them support.

GENERAL

1. With the probability of the U.S. Marine Corps participation in contingency operations, training exercises, and low intensity conflicts, the requirement to take full advantage of local resources becomes significant in supporting these operations. Bulk supplies and material that can be locally procured does not waste scarce lift resources that are needed for combatants.

2. The contingency or low intensity operation will most likely occur in areas of the world where little or no Host Nation Support (HNS) agreements exist. Thus, the requirement for contracting/purchasing support becomes a question of accumulating as much data regarding source availability and the location as quickly as possible. The contracting team must accomplish this amassing of available local resources to offset not only the immediate needs of the U.S. Forces (e.g., bulk class III, class IV, shelters, construction materials, miscellaneous supplies, and services), but also establish support relationships with the local authorities that would serve as a basis for firmer commitments if required.

MISSION

1. To locate and obtain local resources through contracting and purchasing actions which will legally support U.S. Marine Corps mission requirements in a theater of operations.

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2. To initiate and execute contracting/purchasing actions with local resource activities to provide required and authorized combat support and combat service support.
3. To serve as an initial focal point to manage and coordinate available HNS resources obtained to support the deployed forces and to interface HNS plans, resources, and activities within the overall support structure.

OPERATIONAL CONCEPT

1. The contracting team would be one of the first support elements to arrive in the contingency area of operations. Its' task would be to execute or establish any existing or required agreements or contracts for supplies and services needed by the deploying or deployed forces. The supplies and services would be obtained from the local economy in congruence with host nation economic parameters. This team would be attached to the combat service support element or higher Headquarters, to provide overall support to the combat forces.
2. The contracting team, using logistics requirements determined by the commander, will obtain, through purchasing and contracting, any available local resources.
3. The contracting team would use all available data concerning local resources that would most likely be available in the contingency area.

The contracting team would also be the initial focal point responsible for the management and coordination of the HNS assets into the Marine Corps support plan as required. It would use all legal, contracting, and purchasing techniques to obtain available support within the area of responsibility. It would also facilitate Logistics Civil Augmentation Programs, HNS arrangement, and other unique support agreements.

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SECTION 2: AUTHORITIES AND LIMITATIONS

INTRODUCTION

1. This section list various authorities and limitations by which contingency contracting officers can determine what they can or cannot do during contingencies. To do this, some basic assumptions and limitations must be made.

ASSUMPTION

1. Current and future regulatory and statutory requirements and programs will be relaxed as necessary, or waived, to expedite the contracting process.
2. Request for supplies and services will be high priority, thereby drastically reducing contracting administrative leadtime and delivery requirements.
3. Deployed contracting forces will have authority to conduct business with foreign governments, commercial firms, and other forces in the theater where assigned or deployed.
4. Some contracting authorities and responsibilities can be delegated.

LIMITATIONS

1. Applicable agreements such as host nation and inter-service agreements, status of forces, and other authoritative agreements in the theater of operations may limit the CCO's ability to satisfy some requirements.
2. Prohibiting the use of cost-plus-a-percentage-of-cost contract and statutory requirements regulating profits will continue.

WAR AND EMERGENCY LEGISLATION

1. Congress enacted several laws recognizing the Government must respond quickly in a time of crisis. There are currently over 350 laws which expand and/or restrict legal authorities affecting all functions of the Government. HQ USAF/JACO has compiled these laws in a "Digest of War and Emergency Legislation affection the Department of Defense." It is continually updated and available through the Judge Advocate Information Services (AF/JAS, Denver, CO 80279) through the Defense Emergency Authorities Retrieval and

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Analysis System (DEARAS). While there are several laws which affect contracting, the following three have the greatest impact on contingency contracting in foreign theaters:

a. Fifty USC 1431-1435, The "National Defense Contracts Exempt from Certain Statutory Limitation" authorizes the DoD to enter into, modify, or make advance payments on contracts in the interest of the national defense without regard to certain statutory limitations.

b. "Exemption of Certain Purchases and Contracts from Formal Advertising Requirements" as contemplated by the Competition in Contracting Act advertising when its needs for the property or service "is of such an unusual and compelling urgency that the United States would be seriously injured". This is the authority a CCO would most likely use (for purchases over \$25,000) since justification and approval can be processed after the fact. Another authority from the Competition in Contracting Act of 1984 which may be used, particularly during exercises, is 10 U.S. C. 2304 (c) (4) entitled, "International Agreement." This authorizes using other than full and open competition "when a contemplated acquisition is for services to be performed, or supplies to be used in, the sovereign territory of another country and the terms of a treaty or agreement specify or limit the sources to be solicited." Copies of international agreements are filed with the United States European Command or with the United States Pacific Command. In addition, Military Assistance Advisory Groups, Naval Missions, and Joint United States Military Aid Groups normally have copies of the agreements applicable to the countries concerned (DoD FAR 25.801).

c. Defense Resources Act is designed to provide contracting personnel (among others) the authority necessary to meet various contingencies. As such, CCO's should be notified before deployments of exactly what has been authorized before using this authority. Additional sections of the legislation could be reviewed, modified, and introduced to Congress as amendments to the current Defense Production Act.

A question often raised is, what statutory authorities can we count on being waived during actual contingencies? A complete reading of this act sheds little light as to the specific laws which may be waived. However, several excerpts from the act reveal how far-reaching and all encompassing some potential waivers could be:

2. "Sec. 401. The President may authorize any agency of the Government exercising functions in connection with the national defense to enter into contracts and into amendments or modifications of contracts heretofore or hereafter made and to the provisions of law relating to the making, performance, amendment, or modification of contracts whenever he deems such action would facilitate the performance of the national defense functions of such agency; except that this title does not authorize the use of

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the cost-plus-a-percentage-of-cost system of contracting or any contract provision in violation of law relating to limitation of profits." (EMPHASIS ADDED)

3. " Sec. 1214. Except as provided in the Act, all laws and parts of laws in conflict with the provisions of this Act are hereby suspended to the extent of such conflict for the period during which this Act shall be in force."

4. These sections would make it appear CCO's have unlimited authority to write contracts any way they see fit. However, a word of caution on two points. First, implementing legislation of this act could change or modify this language. Second, CCO's are still required to adhere to sound contracting principles to the extent granted during emergencies. The bottom line is CCO's will be given the authority to get the job accomplished, but they must thoroughly document reasons for not following normal procedures. The remainder of this handbook is based on this premise.

5. In addition to these broad based laws, the FAR and DoD Supplements spell out additional exceptions under emergency conditions. These are summarized in table 3-2. CCO's should perform a thorough review of these regulatory and legislative exceptions, in their full context to fully understand their application and use. Training and preparation before deployment can save both time and frustration during actual conditions.

<u>FAR Reference</u>	<u>Subject</u>	<u>Exceptions Allowed</u>
5.201(b)	Synopsis	Does not apply overseas
5.202(a)(2)	Synopsis	Not applicable if unusual and compelling urgency exists
5.202(a)(3)	Synopsis	International agreement specifies the source of supply
6.001(a)	Competition	Does not apply to small purchases under \$25,000
25.102(a)(1)	Buy American Act	Not applicable for items used outside U.S.
25.392(b)	International Balance of Payments Program	May buy foreign if under \$25,000

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<u>FAR Reference</u>	<u>Subject</u>	<u>Exceptions Allowed</u>
25.501	Payment in Local Currency	Foreign contracts should be priced and paid in local currency, unless C.O. determines it to be inappropriate.
25.703(a)	Restrictions on Certain Foreign Purchases	Authorized to buy items from North Korea, Vietnam, Cambodia, and Cuba in emergencies
28.102-1(a)	Bonds	Can be waived by C.O.
37.107(b) and DOD FAR SUP 37.104(70)(e)(3)	Personal Services	Permissible pursuant to 5 U.S.C. 3109, if advantageous to the national defense requires J & A.

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SECTION 3: FUNDING ISSUES

INTRODUCTION

The purpose of this section is to highlight significant differences between peacetime funding and contingency or emergency funding practices. During peacetime, funding issues are taken for granted. Purchase requests are received through the supply chain on DD Form 1149 or other forms as prescribed, and certified by comptroller personnel.

FINANCE AND CONTRACTING RELATIONSHIPS

It is essential a close working relationship be established between the deployed disbursing officer or other personnel performing those functions and the CCO in order to make timely and accurate payments for supplies and services. These personnel would be empowered with authority to cite funds, certify fund availability, and process disbursements and collections.

FUNDING PROCEDURES

An important point for CCO's to keep in mind in a "cash and carry" environment; an accounting classification code is required on all contracting documents.

OTHER FORMS

CCO's may also receive purchase requests using DD Forms 1348-6, DD Form 1149, Military Interdepartmental Purchase Request (MIPR). These are all "one-time" funding documents and can only be used for a specific purpose, and within the funding limitation stated on the form. These forms require funding certification by the designated responsible officer or fund administrator.

IMPREST FUND

The last funding procedure is the imprest fund. Imprest fund accounts can be established outside the contracting office up to \$5,000 with prior approval of LBO. Individual transactions cannot exceed \$500. The imprest fund is reimbursed by submitting a SF 1129 to the disbursing. The FAR subpart 13.4, DoD Supplement, and this Manual provide detailed procedures on imprest fund.

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PROTECTING FUNDS UNDER FIELD CONDITIONS

1. "When deployed in the field for actual or exercise purposes, all Government funds must be under continuous control. " Under no circumstances will they be left unattended and unsecured. The deploying commander must establish and enforce procedures for protecting deployed government funds. Procedures will be established based on the following guidelines:

- a. Only the minimum amount of funds will be deployed.
- b. Funds shall be kept in secure storage accessible only to the person responsible for their custody.
- c. A suitable safe for security will be provided. Field safe: are not authorized unless by this Manual, paragraph 6110.
- d. The safe shall be positioned in such a manner as to prevent observation of the combination dial by others.

NOTE: Use of foreign banks or embassy financial institutions may be authorized. Review operation order of specific area prior to deployments.

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SECTION 4: DUTIES AND RESPONSIBILITIES

INTRODUCTION

This section provides the CCO guidance on those tasks which are essential to conducting an effective contingency contracting Program. In addition, CCO's may be given other duties which have nothing to do with contracting such as paying agent, transportation officer, billeting officer, or civilian labor officer. Although this violates principles of auditing, the CCO shall not be responsible for all the steps within the audit trail, (that is, the same person should not be responsible for requisitioning requirements, purchasing, receiving, and paying for goods and services).

CONTINGENCY CONTRACTING OFFICERS DUTIES AND RESPONSIBILITIES

Duties and responsibilities will be markedly different in a contingency situation and many nonessential tasks will be eliminated in emergency situations. This section deals with what is required so CCO's can focus on organizing a contingency contracting operation. For ease of reference, duties will be listed under the peacetime functional headings although it is recognized contracting will not be organized like this in most situations. In fact, a cradle-to-grave organization will probably be most effective.

MANAGEMENT

1. The first objective CCO's must accomplish is to establish communication with the on-scene commander, any potential customers, comptroller, and disbursing officer. There are two reasons for this. First, contracting is there to support the unit, and it's hard to support if customers do not know the CCO's. Second, the CCO can avoid processing a lot of ratifications, or "retroactive contracting," the sooner contact is established.
2. The second objective is to develop a simple straight forward way for customers to submit requirements to contracting. Keep in mind an important requirement is to keep complete records for an audit trail. Forms and formats are only limited by the CCO's imagination. If there are many DD forms 1348-6 and DD Form 1149 available, so much the better. The point is contracting requires on the minimum information as listed by this Manual to fulfill the audit trail needs. CCO's should work with supply, comptroller and disbursing counterparts to come up with procedures and formats to satisfy everyone.

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3. If the workload is too heavy or if the unit is widespread, and in cases where team strength is insufficient; CCO's have authority to delegate imprest fund and SF 44 purchases to non-contracting personnel. Before doing either, the CCO must train the individuals, provide them with written authorization spelling out their authorities and limitations, and periodically make spot checks to ensure they have not overstepped their authority. All administrative appointments should be done prior to deployments when the individuals are known.

PURCHASING SUPPLIES

1. PURCHASE/PICK-UP/RECEIVE/DELIVER. The CCO's responsibilities for purchased supplies are more encompassing during deployments than during peacetime. There are several reasons for this. First, lack of reliable communications in many contingency areas makes it necessary to travel to the vendor's location. Secondly, most business will be "cash and carry" which requires the CCO to officially receive and deliver items on behalf of the customer. There are times, of course, when the CCO will not have to make delivery. For example, a large order of construction materials will have to be delivered by the contractor or picked up by the customer. But for the most part, the CCO can count on being a courier for every "link in the supply chain" for most purchases.

2. PAYING FOR SUPPLIES. If designated as paying agent by an accounting and finance officer, the CCO will also be responsible for making payments on supply purchases.

3. REFERRALS. Contracting may receive a number of purchase requests for items which are not available in the immediate area but are possibly available at a location serviced by another contracting office. If the deployment base has routine MAC flights to and from another military installation, the CCO may satisfy requirements by "referring" the purchase requests to the contracting office there. Detailed procedures on referrals are contained in section 5. The main point to remember is other contracting offices will need an accurate item description, funding certification, and precise delivery information including a point of contact (either the CCO or the customer). Be sure to keep track of open referrals so follow-up action can be initiated if necessary, and the status of any unused funds can be maintained.

4. AUDIT TRAIL. It cannot be overemphasized how important it is to accurately reconstruct all purchases. Since normal checks and balances may not exist during contingency situation, CCO's can be assured auditors will be interested in paperwork when the unit returns home. Proper forms and formats are not nearly as important as having complete and accurate information, even if it is on a plain piece of paper.

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5. TYPICAL SUPPLY REQUIREMENTS. While an accurate list of actual requirements at every contingency location is not possible, it is useful to have an idea of what was required during past deployment exercises to help build a reference library.

6. SERVICES, CONTRACT REPAIR, AND MINOR CONSTRUCTION BUYING. Unlike the simple straight forward nature of "cash and carry" supply buying, services, contract repair, and minor construction buying is more complicated. In addition, it is much easier to describe a "thing" than to describe an end product or level of effort. In the final analysis, there is good news and bad news concerning this type of buying.

7. GOOD NEWS. As spelled out in section 2, a number of peacetime requirements can be waived in an overseas contingency. These waivers include:

- a. Labor laws
- b. Synopsis requirements
- c. Formal advertising
- d. Bonding requirements

Indeed, most impediments to writing contracts in a timely manner have been reduced or waived in emergency situations. However, there is more to services and construction buying than just consummating a quick contract.

8. BAD NEWS. As mentioned above, the ongoing nature of services or minor construction complicates the contingency contracting operation.

Statement of work must be prepared. In many cases, this will have to be done bilingually in order for the contractor to understand.

A quality assurance evaluator (QAE) or contract monitor must be available from the requesting activity or contracting team.

Many of these requirements will be over \$25,000 except construction which limits the CCO's options for "creative contracting." These options will be discussed in more detail in section 5.

9. REFERRALS. This applies mostly to contract repair items. In some cases, referrals will be the only way a CCO can find a vendor to repair broken equipment. The CCO should remember to get a hand receipt whenever Government property is given to a contractor for repair. See procedures in section 5 under, "Referrals. "

10. CONTRACTING RESPONSIBILITIES. In most cases, service and construction contracts must be in writing, not only for the contractor to know what is expected, but for the Marine Corps to know what it is paying for. As for price determinations, CCO's should provide a memorandum of negotiation to show how a "fair and reasonable" price was determined. Lastly, the CCO will need a system for checking contractor performance and progress.

11. TYPICAL SERVICE, CONTRACT REPAIR, AND MINOR CONSTRUCTION REQUIREMENTS. Like the supplies list, the listing below is the result of actual exercise experience. In addition, it should be recognized minor construction and many services are curtailed, or done without, during exercises of know duration. The following list reflects possible minor construction requirements in addition to other probable services and contract repair requirements.

SERVICES

- Billeting
- Vehicle rentals
- Commercial communications services (if available)
- Interpreters service
- Civilian labor
- Portalets

CONTRACT REPAIR

- Vehicles
- Typewriters, calculators, office equipment
- Furniture
- Radios

CONSTRUCTION (MINOR)

- Paving
- Revetments
- Fences/barriers
- Temporary structures
- Maintenance repair of existing structures.

12. CONTRACT ADMINISTRATION. This will probably be characterized as "administration by exception." This means the CCO will have to rely heavily on customers to ensure service and construction contractors are performing per the contract. Labor checks are not required in the overseas environment and site visits may be limited by the CCO's other duties and responsibilities. By doing this, contracting runs the risk of "verbal change orders" being issued to contractors by contract monitors. These will have to be finalized by supplemental agreement to keep the contract auditable. In almost all cases under contingency contracting, based on predeployment planning, the contract monitor will be a member of the contract team. Remember, the contract monitor (or QAE) may not have time to follow normal procedures of stopping the contractor,

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sending contracts a written request for change, and waiting for the CCO to negotiate a supplemental agreement. Even if the contracting officer knows about changes in advance, time constraints would probably demand giving a verbal okay to the contractor followed by a supplemental agreement.

13. APPROVING AND/OR MAKING PAYMENTS. Any ongoing construction or service contract may require progress payments. Again, procedures should be kept simple. What is needed is some type of progress report from the contract monitor stating the contractor has performed satisfactorily and the percentage of work completed. The CCO will also authorize final payments. Make sure this is well documented so the contract file can be closed out. One could strictly be unable to perform unless they get some "up-front" money to buy necessary supplies, equipment, and labor. ADVANCE PAYMENTS ARE A LAST RESORT ONLY. If there is no other way to get the job done, the CCO should consider accompanying contractors when they order supplies, keeping track of how much is spent on their behalf. If this is not feasible, then keep advances down to an absolute minimum. The bottom line is for CCO's to use their best judgement and document circumstances as they arise. Advance payments should not be used routinely.

14. TERMINATIONS. CCO's may be faced with a number of terminations for default of services and minor construction contracts. However, unless the contractor is a U.S. firm, circumstances will not allow CCO's to follow usual procedures of "cure notices" and "show cause" letters and "final decisions of the contracting officer." Terminations for convenience will probably be very common, particularly for ongoing service contracts--especially when the contingency suddenly ends and everybody packs up. Give contractors as much advance warning as possible, and then write a supplemental agreement spelling out the revised contract period and final settlement. DO NOT LEAVE THE AREA WITHOUT CLOSING OUT ALL CONTRACTS.

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SECTION 5: CONTINGENCY CONTRACTING INSTRUMENT

GENERAL

This handbook will discuss six ways to fulfill contracting requirements. This is not to say they are the only ones which can be used; however, these provide the flexibility needed to satisfy most requirements. Each way will be followed by a brief description of the instrument to be used, and the conditions for its use.

IMPREST FUND

1. An imprest fund is a cash fund of a fixed amount established through an advance of funds by the disbursing officer without appropriation charge, to an authorized individual known as the imprest fund cashier, for the purpose of making immediate cash payments, within set limitations, for authorized purchases of supplies and nonpersonal services.
2. CONDITIONS FOR USE. Use of this instrument is limited to purchases not exceeding \$500 per transaction. Imprest funds can be used for just about any type of purchase except payments of salaries and wages, or cashing of checks. Since the CCO does not have to be present when purchases are made, use of an imprest fund can be very effective in terms of letting customers do time-consuming legwork.

SF 44, PURCHASE ORDER-INVOICE-VOUCHER

1. The SF 44 is designed primarily for over-the-counter purchases by authorized individuals when away from the purchasing office or at isolated activities. It is a multipurpose form which can be used as a purchase order, receiving report, supplier's invoice, and public voucher.
2. CONDITIONS FOR USE. Since there are no written terms and conditions included thereon, the order-invoice-voucher method is the least desirable purchase method unless used for over-the-counter small purchases. SF 44 is authorized for use only when no other small purchase method is considered more suitable and all of the following conditions are satisfied:
 - a. The transaction is not in excess of \$2,500.
 - b. Transactions for POL not in excess of \$10,000.
DFARS 213.505-3
 - c. Supplies or services are immediately available.

- d. One delivery and one payment will be made.

DD FORM 1155, PURCHASE ORDER

1. A purchase order is a DD Form 1155 signed by a purchasing officer (CCO) which requests a vendor to send the items listed in block 18 to the Marine Corps per the information furnished on the DD Form 1155.

2. Negotiated purchases of material and nonpersonal services within the dollar limitation of \$25,000 or less may be affected by using DD Form 1155. The DD Form 1155 may be used as:

- a. B.P.A.
- b. Receiving and inspection report.
- c. Public voucher.
- d. An imprest fund receipt.

REQUIREMENTS OVER \$25,000

There is nothing in current emergency legislation specifically allowing a CCO to waive provisions for bilateral, formal contracts for requirements over \$25,000. Therefore, the CCO should use uniform contract formats (UCF) prescribed in FAR (and supplements) for overseas supplies, and services requirements over \$25,000 whenever possible. Now a question sure to come up is, "What to do if the contractor refuses to sign a contract (a likely occurrence), and the contractor is the only one available who can do the job?" The following is a recommended solution:

- a. Write the contract as if the contractor is going to sign.
- b. Have it witnessed that the contractor refuses to sign (but is willing to do the work).
- c. Give the contractor the verbal authorization to proceed.

2. What is the rationale for this solution? First go back to section 2 where it discusses the Defense Resources Act. This act, when implemented, waives virtually everything except cost-plus-a-percentage-of-cost contracts and limits on profits. Secondly, remember the mission of the CCO--support the legitimate needs of a deployed unit to help it successfully achieve its mission. THIS IS NOT TO SAY A CCO SHOULD THROW CAUTION TO THE WIND--ON THE CONTRARY--THE CCO MUST STILL ENSURE CONTRACTUAL REQUIREMENTS ARE ADHERED TO IN PROVIDING THE SERVICE IN A TIMELY MANNER AT A REASONABLE COST. Just because the contractor did not sign a contract, the CCO should provide a copy with documentation to the requestor, comptroller, disbursing, and retain one copy for the file.

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RATIFICATIONS

If the CCO is not one of the first people to arrive at the deployment site, unauthorized actions may occur. These need to be processed quickly for resolution per this Manual and other directives.

REFERRALS

1. It is likely a CCO will receive purchase requests which cannot be fulfilled on the local market. Instead of canceling the requirement, the CCO should look into the possibility of referring it to another location for action. This most likely is for U.S. made spare parts and contract repair items.

2. WHERE TO SEND. There are usually several sources geographically separated from the CCO which could be used.

a. The American Embassy.

b. The nearest permanent military base contracting office.

c. Finally, if there are scheduled MAC flight to and from the contingency base, the CCO could send the requirements to the contracting office wherever MAC goes.

Commercial air, however, should be avoided due to customs problems. The CCO should not overlook or underestimate the usefulness of the referral system to fulfill requirements. For example, in the Pacific theater, there is a program called, "PACOM-CONTINGENCY ACQUISITION PROGRAM (P-CAP)," which has pre-identified redundant sources of supply in over 10 countries which are willing and able to satisfy many of PACOM's known requirements. The CCO should not arbitrarily limit the markets available to satisfy a customer's needs.

3. ADMINISTRATIVE REQUIREMENTS FOR REFERRALS. Referral packages should be kept in a separate "open" file until completed. This will help the CCO know status of the referrals and help the comptroller keep track of outstanding commitments.

CONTRACT MONITORING

The method for contract surveillance could be the customer complaint system. If the customer is satisfied the contractor is performing satisfactorily, this should satisfy the CCO as well. Paperwork could be simple handwritten statement from the QAE in order for the CCO to support a progress payment or a final payment. All directions given to contractors, whether verbal or written or whether given by the CCO or the QAE should be made a part of the record in the contract file. Note this states the QAE may give direction to the contractor, but we must remember that in most all cases the QAE will be a contracting representative.

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PAYMENTS

There are three different types of payments a CCO can authorize: advance, progress, and final. Advance payments were covered in section 4. Progress payments are supported by a "customer satisfaction" report from the QAE or contract monitor. Final payments are made whenever the contractor has successfully completed the contract, or the CCO has canceled any remaining requirements.

TERMINATIONS

Almost all terminations will be for convenience as opposed to terminations for default. The reason here is the contractor will not be bonded, the statement of work will likely contain ambiguities, and the contractor is likely to be the "sole source" for the needed services. It would serve no purpose to default a contractor if there is no hope of recovering "reprocurement costs" or of finding another contractor to do the job. These contracts can normally be terminated by simply issuing a letter of cancellation and release of claims in order for the CCO to close out the contract and for the comptroller to release the money remaining on the contract to other requirements. Terminations for convenience could also be handled the same way except when the contractor has invested substantially to fulfill the contract. In these cases, the normal rules in the FAR and supplements thereto, should be followed to ensure an equitable adjustment is made to compensate the contractor.

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Section 6: RULES OF ENGAGEMENT

GENERAL

This section will focus on preplanning and preparation actions, initial deployment including the establishment of a local purchase capability. While not intended to be all inclusive, it should provide the CCO a good foundation and better perspective on the role of contingency contracting.

PREPLANNING AND PREPARATION

There are many things a CCO can and should do to prepare for a contingency contracting operation. Preparing in advance is important for one very basic reason; there will not be enough time to do these things once a contingency action gets underway.

PERSONAL AND "ADMINISTRATIVE" PREPARATIONS

1. The following is a list of requirements a CCO must possess in order to start a contingency operation:

2. These items are to be included in personal TAD orders;

a. Variations and foreign flag carrier authorized on TAD order. This is to avoid delays when traveling through unexpected areas.

b. Authorization to hire/rent special conveyance.

c. Civilian clothes. In order to keep a low profile, a CCO may be required to be in civilian clothes while performing duties in the local community.

d. Appointment orders.

e. Official passport plus 6 to 10 extra photos for visas. This is required to move about from country-to-country.

f. Operators permits - military and civilian (foreign driver's license).

g. All SRB, medical, and dental requirements (deployment checklist) .

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INITIAL DEPLOYMENT

Ideally, the CCO should arrive ahead of the main deployment force--on a predeployment team if one exists. If not, the unit may have to do without many supplies and services which may be essential such as vehicle rentals or billeting, unless your command has procedures in effect for such shortfalls.

TYPICAL ORGANIZATION STRUCTURE

1. The deployed contracting team will usually be part of the combat service support element, responsible to the commander or higher authority. It is important for the CCO to know where contracting fits in the organization. Also important is that the contracting team be clearly identified as a separate staff entity. Contracting is one responsibility which is of a logistic nature not within the category of supply (FMFM-01).

2. Performance of purchasing and contractual duties is the responsibility of the CCO. The CCO is under the technical control of the CMC (LB) and the operational control of the commander to which assigned.

SUPPORT ITEMS REQUIRED UPON ARRIVAL

CCO's should be prepared to take care of their needs--immediately upon arrival. It is hard to help others until the CCO has obtained those things which are essential to running an effective contingency contracting organization. The CCO needs a vehicle (assigned or rented) to be able to make purchases on the local market. In addition, the CCO must make immediate arrangements to hire an interpreter/guide. This person should not only be bilingual, but familiar with the local market area as well. The CCO should also try to establish a fixed location from which to operate. This will help customers to find the "office" to deliver their requirements when the CCO is not there. Office needs should be minimal with a desk, chair, computer equipment, typewriter, and safe, if applicable. The office must be able to be secured if cash is kept there. If possible, the CCO should try to make arrangements for some type of communications network, such as mobile radios, telephone, etc., so customers can contact the CCO while the CCO is out of the office.

